

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
GREENVILLE DIVISION**

IN RE:)	
)	Case No. 19-00730
CAH ACQUISITION COMPANY #1, LLC, d/b/a)	
WASHINGTON COUNTY HOSPITAL,)	Chapter 11
)	
Debtor.)	
)	
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IN RE:)	
)	Case No. 19-01230
CAH ACQUISITION COMPANY #2, LLC, d/b/a)	
OSWEGO COMMUNITY HOSPITAL,)	Chapter 11
)	
Debtor.)	
)	
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IN RE:)	
)	Case No. 19-01180
CAH ACQUISITION COMPANY #3, LLC, d/b/a)	
HORTON COMMUNITY HOSPITAL,)	Chapter 11
)	
Debtor.)	
)	
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IN RE:)	
)	Case No. 19-01300
CAH ACQUISITION COMPANY 6, LLC, d/b/a)	
I-70 COMMUNITY HOSPITAL,)	Chapter 11
)	
Debtor.)	
)	
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IN RE:)	
)	Case No. 19-01298
CAH ACQUISITION COMPANY 7, LLC, d/b/a)	
PRAGUE COMMUNITY HOSPITAL,)	Chapter 11
)	
Debtor.)	
)	
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IN RE:)	
)	Case No. 19-01697
CAH ACQUISITION COMPANY 12, LLC, d/b/a)	
FAIRFAX COMMUNITY HOSPITAL,)	Chapter 11
)	
Debtor)	
)	

IN RE:)	
)	
CAH ACQUISITION COMPANY 16, LLC, d/b/a)	Case No. 19-01227
HASKELL COUNTY COMMUNITY)	
HOSPITAL,)	Chapter 11
)	
)	(Jointly Administered)
Debtor.)	
)	

TRUSTEE'S FIFTH STATUS REPORT ON SALES OF DEBTORS' ASSETS

NOW COMES Thomas W. Waldrep, Jr., the trustee (the "Trustee") for the above-captioned debtors (individually, a "Debtor," and collectively, the "Debtors"), by and through undersigned counsel, and hereby submits this Fourth Status Report on the sales of the Debtors' assets. In support thereof, the Trustee respectfully states as follows:

CAH Acquisition Company #1, LLC

1. At the hearing on January 16, 2020 (the "Sale Hearing"), the Court approved the Trustee's motion to sell this Debtor's assets [Case No. 19-00730, Dkt. No. 519] to Affinity Health Partners, LLC ("Affinity") pursuant to Affinity's stalking horse bid.

2. This Court's Order approving the sale to Affinity [Case No. 19-00730, Dkt. No. 686] was entered on February 7, 2020. Also on February 7, 2020, the Trustee filed the *Trustee's Status Report on Sales of Debtors' Assets* in all of the Debtors' cases (the "First Status Report").

3. Since February 7, 2020, the Trustee has remained in daily contact with Affinity. Using the services of Mr. Chip Ezell of Cobalt Capital Partners ("Cobalt") to raise the necessary funds necessary to close on the sale of the hospital, Affinity has approached several asset-based lenders to fund the purchase of the hospital.

4. Today Affinity received and executed a Conditional Funding Commitment from Northwind Financial Corporation to fund its purchase of Washington Regional Medical Center.

The Conditional Funding Commitment has been shared with Washington County, First Capital, and the Bankruptcy Administrator. The Trustee expects the closing to occur on March 31, 2020.

5. In case Affinity does not close in a timely manner, Sherwood Partners, at the direction of the Trustee, continues to re-market the property.

6. The Trustee will update the Court weekly as to the status of this closing, with the next such weekly update being filed no later than March 31, 2020, if needed.

CAH Acquisition Company #2, LLC

9. At the Sale Hearing, the Trustee received a bid in open court for this Debtor's assets from Oswego Neuropsych Hospital, Inc. ("NHI"). Pursuant to the Court's Order authorizing the Trustee to consider such bid [Case No. 19-01230, Dkt. No. 297], the Trustee scheduled a phone auction that was ultimately canceled for lack of competing bidders, resulting in NHI as the sole, highest, and best bidder for this Debtor's assets.

10. The Court approved the proposed sale to NHI at a subsequent hearing on January 29, 2020 (the "Second Sale Hearing"). The Sale Order was entered on February 18, 2020 [Case No. 19-01230, Dkt. No. 324].

11. The Trustee has maintained communications with counsel for NHI and anticipates the closing of the sale of this Debtor's assets will occur on March 26, 2020.

12. The Trustee will update the Court weekly as to the status of this closing, with the next such weekly update being filed no later than March 31, 2020.

CAH Acquisition Company #3, LLC

13. At the Sale Hearing, the Court approved the Trustee's motion to sell this Debtor's assets [Case No. 19-01180, Dkt. No. 272] to Atchison Health Association ("Atchison") pursuant to Atchison's high bid at the December 19, 2019 auction (the "Auction").

14. In the First Status Report, the Trustee reported that he had uploaded the Sale Order and APA to the Court, which was entered by the Court on January 31, 2020 [Case No. 19-01180, Dkt. No. 371].

15. The sale of this Debtor's assets closed on March 20, 2020.

CAH Acquisition Company 6, LLC

16. At the Sale Hearing, the Court approved the Trustee's motion to sell this Debtor's assets [Case No. 19-01300, Dkt. No. 362] to Affinity Health Partners, LLC ("Affinity") pursuant to Affinity's stalking horse bid.

17. This Court's Order approving the sale to Affinity [Case No. 19-01300, Dkt. No. 486] was entered on February 7, 2020.

18. The Trustee has remained in daily contact with Affinity with respect to the I-70 facility. Affinity expect to receive a funding commitment from Northwind to fund the purchase of the I-70 facility. Due to delays in the closing process, the Trustee now anticipates that the closing of the sale of this Debtor's assets will occur in mid-April. The Trustee is communicating with the primary secured creditor in this Debtor's case, First Liberty Bank, about the sale closing deadline.

23. The Trustee will update the Court weekly as to the status of this closing, with the next such weekly update being filed no later than March 31, 2020.

CAH Acquisition Company 7, LLC

24. At the Sale Hearing, the Court approved the Trustee's motion to sell this Debtor's assets [Case No. 19-01298, Dkt. No. 341] to Transcendental Union with Love and Spiritual Advancement ("TULSA") pursuant to TULSA's high bid at the Auction.

25. In the First Status Report, the Trustee reported that he had uploaded the Sale Order and APA to the Court, which was entered by the Court on February 4, 2020 [Case No. 19-01298, Dkt. No. 450].

26. As reported in the Second Status Report, this closing was delayed as TULSA obtained counsel. The Trustee has maintained contact with such counsel and expects the sale to close before the end of this month. The Trustee is currently holding funds for the full purchase price of the assets in his law firm's client trust account.

27. The Trustee will update the Court weekly as to the status of this closing, with the next such weekly update being filed no later than March 31, 2020.

CAH Acquisition Company 12, LLC

28. At the Sale Hearing, the Court approved the Trustee's motion to sell this Debtor's assets [Case No. 19-01697, Dkt. No. 330] to Rural Wellness Fairfax, Inc. ("RWF") pursuant to RWF's high bid at the Auction.

29. The Sale Order was entered by the Court on February 14, 2020 [Case No. 19-01697, Dkt. No. 447].

30. The sale of this Debtor's assets closed on March 20, 2020.

CAH Acquisition Company 16, LLC

31. At the Sale Hearing, the Trustee received a bid in open court for this Debtor's assets from Haskell Regional Hospital, Inc. ("HRH"). Pursuant to the Court's Order authorizing the Trustee to consider such bid [Case No. 19-01227, Dkt. No. 405], the Trustee scheduled a phone auction that was ultimately canceled for lack of competing bidders, resulting in HRH as the sole, highest, and best bidder for this Debtor's assets.

32. The Court approved the proposed sale to HRH at the Second Sale Hearing. The Sale Order was entered by the Court on February 18, 2020 [Case No. 19-01227, Dkt. No. 430].

33. The Trustee anticipated that the sale would close within thirty (30) days following the entry of the Sale Order, but HRH has requested an additional thirty (30) days to close. The Trustee and HRH are still negotiating. The Trustee is informed and believes that HRH will be filing a motion to extend the sale closing deadline on an ex parte basis.

34. The Trustee will update the Court as to the status of this closing, included the requested extension, by the filing of a subsequent status report no later than March 31, 2020.

Respectfully submitted, this the 25th day of March, 2020.

WALDREP LLP

/s/ Thomas W. Waldrep, Jr.

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